



**U.S. Department of Justice**

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**For Immediate Release:**

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Aug 16, 2006

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**EVENT: Criminal Complaint**

**Defendant: Louai Abdelhamied Othman et al**

**THREE TEXAS MEN CHARGED WITH CONSPIRACY  
TO TRAFFIC IN COUNTERFEIT GOODS AND  
MONEY LAUNDERING**

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Three Texas men were charged in federal court in Bay City, Michigan on August 16, 2006 with one count of Conspiracy to Traffic in Counterfeit Goods and one count of Money Laundering, United States Attorney Stephen J. Murphy announced today.

Murphy was joined in the announcement by Special Agent in Charge Daniel D. Roberts, Federal Bureau of Investigation.

Named in the complaint were Louai Abdelhamied Othman, 23, Adham Abdelhamid Othman, 21 and Maruan Awad Muhareb, 18.

The supporting affidavit alleges that from an unknown date until approximately August 11, 2006, the defendants conspired to defraud customers and providers of telephone goods and services by trafficking in prepaid cellular telephones that were intended to be converted into counterfeit telephones as part of the conspiracy. In addition, the defendants are alleged to

have committed the offense of money laundering by purchasing cellular telephones using the proceeds of previous prepaid cellular telephone transactions.

The affidavit in support of the complaint further alleges that on August 11, 2006, the Caro Police Department was contacted by an employee at a Wal-Mart in Caro, who advised that three males had just purchased 30 to 40 cellular telephones and had a large quantity of additional cellular telephones in their vehicle. Shortly after receiving this telephone call, officers executed a traffic stop of the suspects' vehicle. The passengers identified themselves as Louai Abdelhamied Othman, Adham Abdelhamid Othman, and Maruan Awad Muhareb, all of Mesquite, Texas. In the vehicle, officers observed hundreds of cellular telephones. Officers subsequently determined that the vehicle contained approximately 999 telephones, \$1,800 in cash, a laptop computer, GPS tracking system, a digital camera, and a laser sight. Most of the cellular telephones had the batteries removed. Most of the cellular telephones were Nokia models 2126 and 1100. When questioned by FBI agents, the three men stated that a number of businesses and individuals in Dallas, Texas, purchase cellular telephones from hundreds of people like themselves. The men stated that they and others would buy telephones for approximately \$21 each and sell them to the purchasers for as much as \$38.50, depending on the model of telephone. The three men stated that they believed that the purchasers sold the telephones to middlemen in California, New York, or Miami, who then fraudulently reprogrammed the telephones and sold them overseas. According to the complaint, the scheme to defraud involved altering the programming so that they could be sold as more expensive standard Nokia phones, rather than as less expensive TracFones. TracFones has estimated that to date in excess of 800,000 of their telephones have been fraudulently converted.

All three defendants appeared in federal court this afternoon and were temporarily detained pending a detention hearing set for Friday, August 18, 2006 at 2:45 pm before Magistrate Binder in Bay City, Michigan.

A conviction for the money laundering offense carries a maximum penalty of 20 years in prison or a \$500,000 fine or both. A conviction on the conspiracy charges carries a maximum penalty of 5 years or \$250,000 fine or both. Any sentence will ultimately be imposed under the United States Sentence Guidelines according to the nature of the offense and the criminal

background, if any, of the defendant

A complaint is only a charge and is not evidence of guilt. Trial cannot be held on felony charges in a complaint. When the investigation is completed a determination will be made whether to seek a felony indictment.

This case is being investigated by the Federal Bureau of Investigation.